

## **Statement for the Record**

Congressman Richard H. Baker

Subcommittee on Economic Development, Public Buildings and Emergency Management - Legislative Fixes for Lingering Problems that Hinder Katrina Recovery.

Thank you Chairwoman Norton and Ranking Member Graves for the opportunity to address the Subcommittee on Economic Development, Public Buildings and Emergency Management on the important issue of recovery from the 2005 hurricane season. As you know, Hurricane Katrina made landfall over 19 months ago and Hurricane Rita 18 months ago, but the effects of the storms still resonate in Louisiana and across the nation. I appreciate being able to voice the concerns of my constituents and state today.

### **Roadblocks to Recovery: What Local Governments Need**

Earlier this year during a full Transportation and Infrastructure Committee mark up on H.R. 1144, the "Hurricanes Katrina and Rita Federal Match Relief Act of 2007," I shared stories from Sheriff Wiley of Ascension Parish and the Baton Rouge River Center that were still struggling, over a year later, to be reimbursed by FEMA for work they performed in the wake of the hurricanes. Ascension Parish police, fire crews and emergency personnel worked tirelessly in the impacted parishes to provide relief; the River Center was one of the largest shelters in the state, housing over 6,000 evacuees.

I am pleased to report FEMA has recently reimbursed Ascension Parish for its out-of-parish expenses. I remain hopeful that resolution will come on their submitted in-parish expenses, as well as eligible costs incurred by the River Center. However, law prevents resolution on an issue that still burdens my community today: loss of revenue at facilities due to sheltering evacuees. Facilities such as the River Center, the Recreation and Park Commission for the Parish of East Baton Rouge (BREC) and the Lamar Dixon Expo Center threw open their doors to provide shelter thinking they would be reimbursed for any losses incurred. For example, BREC estimates that over \$300,000 in billable items, such as rent for the facilities, were denied by FEMA. The River Center cancelled over \$100,000 worth of events, and \$20,000 was estimated lost by Lamar Dixon. These figures are small in scope compared to the billions allocated to the region for recovery, but represent a significant amount to the community. I believe these facilities should be made whole.

As you may hear more about today from my fellow members of the Louisiana delegation, New Orleans is facing serious issues echoed throughout the Gulf Coast: undervaluation of project worksheets by FEMA which results in huge shortfalls in funding for projects; and constant turn over in staff which leads to lack of familiarity and consistency with projects, and in some cases, de-obligation of funds. Congress did not intend to tie the hands of local governments, and I implore FEMA to address these types of issues that remain. The City of New Orleans has also shared additional concerns and

suggestions to remedy these problems through permanent fixes to the Stafford Act, which I submit today for inclusion in the record.

### **Lessons Learned: Improving Recovery for Future Events**

#### *FEMA's Exorbitant Administrative Costs*

On April 26, 2007, this Committee allowed me the opportunity to raise additional issues to the ones mentioned above at a hearing entitled "FEMA's Preparedness and Response to All Hazards." I wish to reiterate my concerns over administrative costs incurred by FEMA during the disaster. After Katrina made landfall, the Congress generously made substantial amounts of taxpayer resources available to provide mass care, restore damaged or destroyed facilities, reduce the impact of future disasters, clear debris, and aid individuals and families with uninsured needs. I am truly grateful that Congress recognized this need and swiftly responded. However, in review of a recent Congressional report on the status of the Disaster Relief Fund (DRF), I am alarmed that over **\$7 billion** was used for administrative costs. This represents more than **22 percent** of funding provided to FEMA for disaster response during the 2005 hurricane season. Administrative costs are defined as salaries and benefits; travel; transportation; rent, communications and utilities; print and reproduction; missions; other services; supplies and materials; equipment; land and structures; and urban search and rescue. While I do not question the significance of what FEMA faced in responding to the needs of the Gulf Coast, little has been provided to define the exact scope of what FEMA has spent over \$7 billion on. We hold state administration of disaster relief funds to a higher standard than what has been demonstrated by FEMA. Addressing the issue of administrative expenses may allow more money to flow to the areas still recovering.

#### *Long-term Housing for Evacuees Can Be Improved*

Moving on to the issue of housing of evacuees, I would like to first recognize the difficulty in addressing the tens of thousands of displaced residents, some of whom lacked economic means before the storm and others who may have become disadvantaged because of the storm. Nonetheless, FEMA's struggle to provide shelter to victims of disasters and work with communities to develop sound housing options, whether temporary or long-term, was glaring after the hurricanes. Some estimates show that the population of the City of Baton Rouge and surrounding parishes has grown by more than 60,000 since Hurricane Katrina, many of whom are still in FEMA housing. Local communities and the state deserve the opportunity to work with FEMA to invest in long-term housing options in the wake of major disasters, recognizing that there are no homes for these displaced residents to return to. Furthermore, I would like to reiterate questions posed to FEMA during the hearing on April 26<sup>th</sup> : FEMA has not submitted a National Disaster Housing Strategy to Congress to date, when will this be completed? What agencies will be included in this strategy? What is long-term disaster housing as defined by FEMA? Lastly, it is my hope that FEMA will include provisions in the National Disaster Housing Strategy that provides for collaboration with states to invest in housing that will meet the long-term housing needs of evacuees and communities.

### *Updating Flood Maps and Citizen Disaster Risk Education*

As some of you may know, I have been deeply involved in the debate on the National Flood Insurance Program (NFIP) and flood plain management through my work on the Financial Services Committee. I know you share my alarm that many of the nation's flood maps are more than 10 years old and no longer reflect current flood hazard risks. According to a GAO report issued in 2006, floods inflict more damage and economic losses on the United States than any other natural disaster. This report details that during the 10 years from fiscal year 1992 through fiscal year 2001, flooding resulted in approximately \$55 billion in damages. We also know that figure has increased considerably after Katrina and Rita. I am pleased that Congress appropriated \$1 billion for the 5-year effort FEMA estimates it will take to update the nation's flood maps through a flood map modernization program; however, I remain concerned by what that means for communities today.

FEMA must use the information compiled from the map modernization program for more than just a trigger for flood insurance or flood plain management. Many of you here today have heard stories of people who thought their property was safe because their house did not flood in hurricanes Camille or Andrew, but was damaged or decimated by flood waters in Hurricane Katrina. Merging the information that FEMA will collect as they update their maps with information already on hand, and providing that to the public in a user-friendly manner, will transform how individuals view their risk as future hurricanes approach landfall. I know this is vital to Louisiana, a state facing a new hurricane season in just a few weeks.

### *Prepositioning of Equipment and Supplies*

Sections 636 and 637 of the Homeland Security Appropriations Act for fiscal year 2007 requires FEMA to evaluate and develop an efficient and flexible logistics system for the procurement and delivery of goods and a directive to establish a prepositioned equipment program. I am eager for FEMA to work with private sector providers to develop partnerships for prepositioned equipment and supplies, or simulate similar operations. Large distributors were able to provide needed supplies to disaster areas whereas FEMA was inexplicably unable to do so, demonstrating an efficient and flexible system worth capitalizing on. Furthermore, there may be no long-term reason to create a FEMA-run delivery system for goods if there is a cost effective alternative. Notwithstanding changes made within FEMA to address these matters, FEMA has the opportunity to be a true "manager" during disaster response and to utilize the private sector during emergency events.

In conclusion, I look forward to working with the Committee to address the variety of issues raised today, and I appreciate the Committee's interest in this very important topic. Additionally, I welcome debate on permanent changes to the Stafford Act so that these types of issues will not hinder the recovery of future communities.